World Bank study on performance of export professing zones

*351. SHRI RASHEED MASOOD: Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "EPZs fail to deliver goods" which appeared in the Business Standard of May 26, 1989;

(b) whether it is a fact that according to a World Bank study the record about technology transfer, absorption of labour, export promotions, etc. by the Export Processing Zones in the Asian countries has been disappointing; and

(c) if so, what corrective steps Government propose to take to regulate the Indian Export Processing Zones so as to achieve the desired objective?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) Yes, Sir. Sir.

(b) and (c) A statement is laid on the Table of the House.

Statement

A study of the Export Processing Zones (EPZs) in four Asian countries namely, Indonesia, Republic of Korea, Malaysia and Philippines has appeared in the World Bank Research Observer of January 1989. It has been observed, with reference to the experience in these countries, that the transfer of technology to and linkage of the domestic economy with these Zones has been disappointing. It is, however, mentioned that the Zones have achieved the objective of earning foreign exchange and providing employment. The author has concluded that the EPZs have a limited role in export promotion.

These conclusions are not applicable in the context of the performance of the Indian export processing zones. An evaluation of the working of the already established zones in India, such as at Kandla and Santacruz has indicated a net positive gain to the economy and the achievement of an internal rate of return which is higher than the normally rate of return accruing on Government investments. The linkage of Indian Zones with the domestic economy is more effective in view of the developed industrial infrastructure in the country.

Government is constantly reviewing the performance of the EPZs in the country with a view to improving the performance through appropriate promotional measures and input support.

Central scheme to improve canal irrigation facilities

*352. SHRI SHANKER SINH VAGHELA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Central Government have any plan to raise the percentage of canal irrigation facilities in States which have less than 10 per cent of their crop-growing areas under canal irrigation; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB): (a) and (b) According to the latest Land Use Statistics available (1985-86 provisional), the percentage of canal irrigaton facilities to net areas shown is less than 10 per cent in many States. To augment irrigation by canals, a number of major and medium projects have been taken up in these States.

Setting up of export oriented units outside export processing zones

*353. SHRI SATYA PRAKASH MALAVIYA:

SHRI ARANGIL SREEDHARAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that under 100 per cent Export Oriented Units